

DATE: December 19, 2005

TO: City Chief Financial Officers
County Auditors

SUBJECT: Newly Created Entities

In recent years we have encountered public entities that were created by local governments through interlocal agreements or other arrangements. These entities were not audited timely or found themselves facing issues that may have been avoided if our office had known about these entities.

To avoid similar situations, we are requiring all local governments to continuously report to our office information regarding the creation or dissolution of such entities.

This will allow our office to provide timely advice and assistance in the initial stages of formation so entities understand state, local and federal requirements and foster public accountability and meet public expectations. Our Office will be able to assist the new entity in establishing the appropriate accounting and financial reporting model and determine if the entity requires a separate audit and, if it does, schedule it in a timely manner.

Similarly, the ongoing report regarding dissolution of entities would allow us to conduct timely final audits and provide us with opportunities to provide advice or referral regarding issues associated with dissolutions.

The attached form outlines the required details. You may use other formats as long as the required information is provided. This form is also available on our Web site;

<http://www.sao.wa.gov/EN/Audits/LocalGovernment/Documents/NewlyCreatedEntities.pdf> .

The report should be mailed to:

State Auditor's Office
Local Government Support Team
PO Box 40031
Olympia, WA 98504-0031

The report can be also submitted electronically to: duane.walz@sao.wa.gov. Questions should be directed to Alexandra Johnson at alexandra.johnson@sao.wa.gov or 360-725-5596.

This requirement is in addition to the reporting requirements for counties contained in state law (RCW 36.96.090).

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

BS:AJ:lt

Attachment
cc: Local Government Entities

(County/City/District Name)

Date_____

Prepared by_____

Phone _____

E-mail Address_____

Name of the entity	Type of the entity (e.g., PFD, PDA, not-for profit, public-private partnership, etc.)	Indicate if this entity is:		Date (when dissolved/ created)
		(1) newly created	(2) being dissolved	

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